1. **The Role of Business in the American Economy**
2. **The Role of the Entrepreneur**
3. A person who starts a business to make a profit.
   1. New product
   2. New way of producing something
   3. Better way of providing a service
4. Risks
   1. If business fails, he or she could lose money they invested in it
5. Benefits
   1. He or she makes profit
6. **Using the Factors of Production**
7. **Factors of Production**
   1. Land
   2. Labor
   3. Capital
8. **Payments for Resources**
   1. Land
      1. Rent
   2. Labor
      1. Wages
   3. Capital
      1. Interest
9. **How Businesses Are Owned**
10. **Sole Proprietorship**
    1. Business is owned by an individual
    2. Advantages
       1. Owner has freedom to make decisions for the business
       2. Profits are made by the owner alone
       3. Owner has personal satisfaction knowing he or she succeeded
    3. Disadvantages
       1. Owner bears all responsibility for the business’ debts
       2. Owner might have hard time borrowing money
       3. As business prospers, running the business becomes more difficult
11. **Partnership** 
    1. Type of business in which two or more people share ownership
    2. Advantages
       1. It’s easier to borrow money
       2. It’s easier to run the business because someone will help
    3. Disadvantages
       1. Your partner might not be trustworthy
       2. You must split the profit with your partner(s)
12. **Corporation**
    1. A business that is separate from the people who own it and legally acts as a single person
    2. Advantages
       1. It can raise large quantities of money to grow by selling stock
       2. Stockholders are not responsible for the business’ debts
    3. Disadvantages
       1. They are more difficult and expensive to start
       2. They are more limited by government regulations
13. **The Rise of Big Business**
14. Sole proprietorships grew into big businesses
15. People moved to cities to find jobs
16. Factories had many workers, and consumers needed their products
17. New technology made it easier to provide goods and services
18. Goods and services were made quicker and cheaper